

**DISCLOSURE UPON THE PURCHASE OF THE OPTIONAL
ACCELERATED DEATH BENEFIT FOR LONG TERM CARE AND TERMINAL ILLNESS**

This Disclosure is designed to provide You with a summary of the Optional Benefit for which You are applying. The Optional Accelerated Death Benefit For Long Term Care and Terminal Illness form and the Certificate set forth in detail the terms, conditions, limitations and exclusions of the Coverage and Accelerated Death Benefit for Long Term Care and Terminal Illness Rider provided by The Policy. Therefore, if You purchase this coverage, it is important that You **READ YOUR CERTIFICATE OF COVERAGE AND ALL OPTIONAL BENEFITS CAREFULLY.**

If You have any questions or concerns about any benefits or provision of Your Optional Accelerated Death Benefit for Long Term Care and Terminal Illness, please contact Your agent or our Administrative Office at 1-877-352-3303.

TAX QUALIFICATION NOTICE: The Accelerated Benefits offered under this Optional Benefit are intended to provide a qualified Accelerated Death Benefit that is excluded from gross income for federal income tax purposes under the applicable provisions of the Internal Revenue Code in existence at the time this Optional Benefit is issued. To that end, the provisions of this Optional Benefit and the Certificate are to be interpreted to ensure or maintain such tax qualification, notwithstanding any other provision to the contrary. We reserve the right to amend this Optional Benefit or the Certificate to reflect any clarifications that may be needed or are appropriate to maintain such tax qualification or to conform this Optional Benefit or the Certificate to any applicable changes in such tax qualification requirements. We will send The Policyholder and the Certificate Holder a copy of any such amendment. Whether any tax liability may be incurred when benefits are paid under this Optional Benefit could depend on how the Internal Revenue Service interprets applicable provisions of the Internal Revenue Code. Tax laws relating to Accelerated Benefits are complex. Certificate Holders are advised to consult with a qualified tax advisor about circumstances under which they could receive Accelerated Benefits excludable from income under federal law.

Receipt of an Accelerated Benefit may affect the Certificate Holder and the Certificate Holder's spouse or family's eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. Certificate Holders are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect his or her spouse and his or her family's eligibility for public assistance.

1. **Description of Benefit:** After our receipt of written proof acceptable to us that the Insured has met the Conditions on Eligibility for Payment of Long Term Care Optional Benefits or a Terminal Illness Optional Benefit, the Certificate Holder may choose to receive a portion of the Death Benefit while the Insured is still alive and while the Certificate and Optional Benefit are in force. We will not pay any Accelerated Death Benefit such that the total paid lifetime benefits exceed the current death benefit Coverage provided under the Certificate.
2. **Conditions On Eligibility For Payment of Long Term Care Optional Benefits:** The Certificate Holder may exercise the Accelerated Death Benefit Option for Long Term Care and receive monthly Optional Benefits, upon all the following conditions being met:
 - (1) The Insured:
 - (a) is Confined in a Nursing or Assisted Living Facility and the confinement begins while the Certificate and Optional Benefit is in force; or
 - (b) receives Home Health Care services that are provided by a Home Health Care Agency. The Insured must receive a minimum of [8] Home Health Care visits during each Benefit Month and while this Benefit is in force; or
 - (c) receives Adult Day Care that is provided in an Adult Day Care Center. The Insured must have a minimum of [8] Adult Day Care visits during each Benefit Month and while this Benefit is in force; and
 - (2) Confinement and Home Health Care or Adult Day Care services must be included in the Insured's Plan of Care; and
 - (3) the Insured is a Chronically Ill Individual; and
 - (4) the Insured must satisfy the Elimination Period; and
 - (5) the Waiting Period has been met; and
 - (6) the Coverage provided to the Insured by the Certificate to which this Benefit is attached is in force; and

(7) all irrevocable beneficiaries and assignees have signed the written request for this benefit.

3. **Conditions On Eligibility For Payment of a Terminal Illness Optional Benefit:** The Certificate Holder may exercise the Accelerated Death Benefit Option for Terminal Illness and receive the applicable Benefit, upon all the following conditions being met:

- (1) The Certificate Holder must provide us with certification by a Physician that the Insured is Terminally Ill; and
- (2) The Insured's Coverage under The Policy has been in force for 2 years from the Coverage Date or 2 years from the date of last reinstatement, if any, whichever is later; and
- (3) The Certificate Holder must make a written request to elect the Accelerated Death Benefit for Terminal Illness; and
- (4) All irrevocable beneficiaries and assignees have signed the written request for this benefit; and
- (5) The Coverage provided by The Policy has not lapsed due to nonpayment of premium.

4. **Definitions:** These are some of the important definitions that will help the Certificate Holder understand the Conditions on Eligibility for Payment of Optional Benefits. Please review the Optional Benefit for further information.

Activities of Daily Living means activities that occur every day. For the purposes of this Optional Benefit, each of the following six (6) activities is considered an Activity of Daily Living:

Bathing: The Insured's ability to wash himself/herself by sponge bath; or in either a tub or shower, including the task of getting into and out of the tub or shower.

Continence: The Insured's ability to maintain control of bowel and bladder function. When unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).

Dressing: The Insured's ability to put on and take off all items of clothing and any necessary braces, fasteners or artificial limbs.

Eating: The Insured's ability to feed himself or herself by getting food into his/her body from a receptacle (such as a plate, cup or table) or by a feeding tube or through intravenous means.

Toileting: The Insured's ability to get to and from the toilet, to get on and off the toilet, and to perform associated personal hygiene.

Transferring: The Insured's ability to move into or out of a bed, chair or wheelchair.

Chronically Ill Individual means an Insured who has been certified by a Licensed Health Care Practitioner as:

- (a) being Unable to Perform, without Substantial Human Assistance, at least two Activities of Daily Living (Bathing, Continence, Dressing, Eating, Toileting, and Transferring) for a period of at least 90 days; **or**
- (b) the Insured has a Severe Cognitive Impairment that requires Substantial Supervision to protect the Insured from threats to his or her health and safety.

Elimination Period means the number of days that the Insured must meet the Conditions of Eligibility for Long Term Care. There will be no Long Term Care benefits paid during this period. The Elimination Period will start from the first day that the Insured is certified by a Licensed Health Care Practitioner as: (1) being Unable to Perform without substantial Human Assistance at least two Activities of Daily Living; or (2) having a Severe Cognitive Impairment that requires Substantial Supervision to protect the Insured from threats to his or her health and safety. The Elimination Period for the Long Term Care benefit will be shown in the Schedule Page. The Elimination Period only needs to be satisfied once during the Insured's lifetime. There is no Elimination Period for the Terminal Illness benefit.

Severe Cognitive Impairment means a deficiency in: the Insured's short-term or long-term memory; orientation as to person, place and time; deductive or abstract reasoning; or judgment as it relates to safety awareness. Diagnosis must be established by clinical evidence and standardized tests that can accurately measure the Insured's loss. An example of such an Impairment that is covered under this Benefit is Alzheimer's disease and other forms of senility, senile dementia and irreversible dementia.

Terminally Ill means the Insured has a life expectancy of 12 months or less due to an illness or physical condition.

Waiting Period means the Waiting Period shown on the Schedule Page. The Waiting Period starts on the Benefit Coverage Date. Long Term Care benefits will not be paid for any sickness condition or Plan of Care that begins during the Waiting Period. There is no Waiting Period for accidents.

5. **Benefits under the Optional Accelerated Death Benefit for Long Term Care.**

There are two types of Monthly Benefits under this Optional Benefit:

Monthly Benefits for Confinement: The benefit amount will be shown in the Schedule Page. After We receive the required proof that the Insured has met the Conditions on Eligibility for Long Term Care benefits that are described in this Benefit, We will pay You the benefit amount for Confinement. We will pay the benefit amount for each Policy Month or fraction of a Policy Month for as long as the Insured continues to meet the eligibility requirements. The benefit payments will be subject to the Remaining Accelerated Death Benefit Amount. If there is an outstanding loan, benefit payments will be reduced.

Monthly Benefit for Home Health Care or Adult Day Care: The benefit amount will be shown in the Schedule Page. After We receive the required proof that the Insured has met the Conditions on Eligibility for Long Term Care benefits, we will pay You the benefit amount. We will pay this benefit amount for each Policy Month or fraction of a Policy Month for as long as the Insured continues to meet the eligibility requirements. The benefit payments will be subject to the Remaining Accelerated Death Benefit Amount. If there is an outstanding loan, benefit payments will be reduced.

The Remaining Accelerated Death Benefit Amount equals the current death benefit provided by the Certificate, less any outstanding loan, any Terminal Illness lien and the total of all previous Monthly Accelerated Death Benefit Amounts paid under this Optional Benefit to the Certificate Holder.

The current death benefit as used here does not include accidental death benefits, life insurance provided by other optional benefits.

We will deduct a proportional repayment of any outstanding loan from the Monthly Accelerated Death Benefit Amount.

The Following limits apply to payments of Accelerated Death Benefits for Long Term care:

- Benefits will not be paid for Confinement and Home Health Care /Adult Day Care simultaneously even if the Insured otherwise qualifies for both benefits. If the Insured qualifies for both benefits, we will pay only one benefit, whichever is higher.
- We will not pay any Long Term Care benefit for any sickness condition or Plan of Care that begins during the Waiting Period.
- We will not pay any Long Term Care benefit before the end of the Elimination Period.

6 **Benefits under the Optional Accelerated Death Benefit for Terminal Illness.**

The Certificate Holder may choose the amount of the Terminal Illness benefit subject to the following maximum:

The lessor of:

- i. 50% of the current death benefit minus all previous Long Term Care Monthly Accelerated Death Benefit amounts paid under the Optional benefit to the Certificate Holder as of the date proof of life expectancy is received; or
- ii. \$100,000

The minimum benefit for Terminal Illness is \$1,000.

We have a right under the Optional Benefit to charge an administrative fee for processing an Accelerated Death Benefit for Terminal Illness. The maximum amount of the fee we will charge the Certificate Holder is [\$150]. It will be deducted from the Terminal Illness payment made.

The Following limits apply to payments of an Accelerated Death Benefit for Terminal Illness

- We will only pay one Accelerated Death Benefit payment for Terminal Illness under the Optional Benefit.

7 **Premiums:** Premiums for this benefit vary by the Insured's Issue Age and Premium Class. Current premiums may be changed but cannot exceed the guaranteed maximum premium shown on the Certificate Schedule. Current and Guaranteed Premiums are shown on the Certificate Schedule page. We will notify the Certificate Holder at least 45 days before changing the Premium. The Premium for this Optional Benefit will be reduced proportionately after a Terminal Illness benefit payment is made.

8 **Waiver Premiums:** While Acceleration Benefits for Long Term Care are paid, premiums for the Coverage provided by the Certificate will be waived.

9 **Impact on Certificate Values:** The Death Benefit, Surrender Value, Paid Up Insurance, Reduced Paid Up Insurance and Certificate loan values, if any will be reduced if an Optional Benefit is paid.

Illustrative Example of the effect of exercising the Accelerated Death Benefit Option's Long Term Care benefit based on the Monthly Long Term Care Accelerated Death Benefit of \$1,000 that is shown on the Certificate Schedule:

	Before Accelerated Benefit	After One Month Accelerated Benefit
Accelerated Death Benefit	\$ 0	\$ 1,000
Death Benefit	25,000	24,000
Surrender value	600	576
Reduced paid up death benefit*	1,984	1,904
Remaining Accelerated Death Benefit	24,750	23,760
Outstanding Loan Balance	250	240
Net Accelerated Death Benefit payment	0	990
Planned Periodic Premium (Monthly)	52.22	50.50**
Amount Available for Additional Loan	350	336
TI Lien	0	0

* As applicable for the Coverage to which this Optional Benefit is attached. Reduced paid up death benefits are provided upon termination of premium payments.

**While Acceleration Benefits for Long Term Care are paid, Premium for Coverage provided by the Certificate will be waived.

Illustrative Example of the effect of exercising the Accelerated Death Benefit Option's Terminal Illness benefit based on the Certificate Death Benefit of \$25,000 and a 25% Accelerated Death Benefit of \$6,250 is elected. An administrative fee of \$150 is charged for this election:

	Before Accelerated Benefit	Immediately After Terminal Illness Benefit Paid	After One Year Accelerated Benefit
Accelerated Death Benefit	\$ 0	\$ 6,250	\$ 6,250
Death Benefit	25,000	18,750	18,750
Surrender value	600	0	0
Reduced paid up death benefit	1,984	0	0
Remaining Accelerated Death Benefit	24,750	18,500	18,482.50
Outstanding Loan Balance	250	250	267.50
Net Accelerated Death Benefit payment	0	6,100	6,100
Planned Periodic Premium (Monthly)	52.22	51.07**	51.07**
Amount Available for Additional Loan	350	0	0
TI Lien	0	6,250	6,250*

* No interest will accrue on the TI lien.

** Optional Accelerated Death Benefit for Long term Care and Terminal Illness premium reduced due to Terminal Illness benefit payment

Exclusions: We will not pay Long Term Care benefits if the care received or loss incurred:

- is due to an intentionally self-inflicted injury, or attempted suicide; or
- is due to a war or any act of war, declared or undeclared, or service in the armed forces of any country; or
- is due to a treatment of the Insured's alcohol, drug or other chemical dependence, except if the drug dependency was sustained or acquired at the hands of a Physician, or except while under treatment for an injury or sickness; or
- is due to the Insured's commission of, or attempt to commit, a felony; or an injury that occurs because of the Insured's involvement in an illegal activity.

We will not pay Long Term Care benefits if the Confinement, Home Health Care service, or Adult Day Care service:

- is received outside the United States and its territories; or
- is provided by ineligible providers; or
- is rendered by members of the Certificate Holder's or the Insured's Immediate Family; or
- are fully or partially reimbursed by a state or federal worker's compensation plan, Medicare, any other health insurance or other insurance plan, or any other governmental program, except Medicaid; or
- would not be charged for in the absence of insurance.

We will not pay a Terminal Illness benefit that resulted from:

- Terminal Illness due to an attempt of suicide while the suicide provision of the Certificate is in effect.

Acknowledgment:

I acknowledge that I have read this Disclosure and understand that if I exercise the Optional Accelerated Death Benefit, any Beneficiary I designate may receive either a reduced Death Benefit or no Death Benefit at all. If the entire Death Benefit is paid out as an Accelerated Death Benefit prior to the Insured's death, the Beneficiary I designate may receive no Death Benefit.

Date	Certificate Holder's Signature